

Personnel Committee

16 November 2023



Reading
Borough Council
Working better with you

Title	Gender and Ethnicity Pay Gap Reports for 2023 and Workforce Profile Report for 2022-23
Purpose of the report	To note the report for information
Report status	Public report
Report author	Kathryn Cook – Assistant Director for HR and Organisational Development
Lead Councillor	Councillor Liz Terry
Corporate priority	Our Foundations
Recommendations	<ol style="list-style-type: none">1. It is recommended that Personal Committee note:<ul style="list-style-type: none">- The Gender Pay Gap Report 2023 in appendix 1.- The Ethnicity Pay Gap Report in appendix 2.- The Workforce Profile 2022-23 in appendix 3.

1. Executive Summary

- 1.1. This report presents the Council's Gender and Ethnicity Pay Gap reports for 2023. The mean gender pay gap is 0.82% and the median is 0.00%. This compares to last year's figures of 0.13% (mean) and 3.06% (median).
- 1.2. The mean ethnicity pay gap for 2023 is 2.46% mean and minus 0.40% median, compared to last year when they were 2.68% mean and minus 1.76% median.
- 1.3. The report also presents the Workforce Profile for 2022/23 which provides a summary of equalities monitoring data and trends over time. It covers data on the protected characteristics of the current workforce and job applicants in 2022/23 and compares it to the previous three financial years where relevant.
- 1.4. Taking positive action on workplace equality can have significant benefits for an organisation's reputation, culture and people. The Ethnicity and Gender Pay Gap reports are a fundamental step on the Council's journey to improving workplace equality. It helps to create a baseline to track current progress and drive continual improvement.

2. Policy Context

- 2.1. An employer must comply with the regulations for any year where they have a 'headcount' of 250 or more employees on the 'snapshot date'. For local authorities the snapshot date is 31 March each year.
- 2.2. Organisations must publish the following information:
 - Their mean gender pay gap
 - Their median gender pay gap

- Their mean bonus gender pay gap
 - Their median bonus gender pay gap
 - Their proportion of males and females receiving a bonus payment
 - Their proportion of males and females in each quartile pay band
- 2.3. The information must be published on both the employer's website and on the Government Equalities Office website. An employer should then use that information to help understand any underlying causes for their gender pay gap and take suitable steps to minimise it. Benefits will differ between employers but can include developing a reputation for being a fair and progressive employer, attracting a wider pool of potential recruits for vacancies and the enhanced productivity that can come from a workforce that feels valued and engaged in a culture committed to tackling inequality.
- 2.4. Unlike the gender pay gap, large organisations are still not yet legally required to publish their ethnicity pay gap. The Council has chosen voluntarily to publish its data for the fourth year.
- 2.5. Public authorities have specific duties under the Equality Act 2010 to help them comply with the public sector equality duty. They must:
- publish equality information at least once a year to show how they have complied with the equality duty.
 - prepare and publish equality objectives at least once every 4 years.
- 2.6. The Workforce Profile in Appendix 3 is a key component of meeting the duty, and the Council's own Equal Opportunity in Employment Policy. It covers data on the protected characteristics of the current workforce and job applicants in 2022/23 and compares it to the previous three financial years where relevant. The data is also intended to provide an equalities context and focus for ongoing discussions with internal and external stakeholders. The Workforce Profile will be published on the Council's website on the [Equality, Diversity and Inclusion Policies](#) page.

3. The Gender Pay Gap report

- 3.1. The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. For example, a 4% gender pay gap shows that women earn 4% less per hour, on average, than men. Conversely, a negative 4% gender pay gap shows that women earn 4% more, on average, than men.
- 3.2. Appendix 1 shows the Council's gender pay gap information for 2023. The mean gender pay gap is 0.82% and the median is 0.00%. This is based on data at the snapshot date of 31 March 2023. A mean average is calculated by totalling all the values in a dataset; this total is then divided by the number of values that make up the dataset. The median of a group of numbers is the number in the middle, when the numbers are in order of magnitude.
- 3.3. The Council is in a good position. Most organisations have a much larger gender pay gap, with a median for the whole economy of 14.9% for 2022. This reflects the Council's aspiration to be a fair and inclusive employer, making best use of its talent regardless of gender. It is important not to lose focus on this however and through on going monitoring, we will take care to identify remedial actions as issues emerge.

4. The Ethnicity Pay Gap Report 2023

- 4.1. The ethnicity pay gap is the percentage difference in the average hourly rate of pay of white employees and Black, Asian and Minority Ethnic employees. We publish the same six calculations as for the gender pay gap (see 2.3), plus the proportion of the workforce in each ethnic group and the proportion who have disclosed their ethnicity (94.0%). This

is in line with guidance issued by the Chartered Institute of Personnel and Development who recommend that employers publish a uniform set of eight statistics comparing pay for Black, Asian and Minority Ethnic employees with white employees. In addition, we have broken this down further using the ONS Census' five ethnicity categories so that we can identify any differences in more detail.

- 4.2. The Council's Ethnicity Pay Gap report is attached at Appendix 2. It is based on data at the snapshot date of 31 March 2023. The mean pay gap for Black, Asian and Minority Ethnic employees is 2.46%. There is a negative median pay gap of 0.40%, meaning that the median pay of white employees is 0.40% less than for Black, Asian and Minority Ethnic employees.
- 4.3. The detailed breakdown by ethnic groups shows some differences which the overall figures mask. Employees from Asian backgrounds and those in Other Ethnic groups have higher average pay than white colleagues. The mean pay gap is largest for employees who identify as Black or Black British, whose pay is 9.06% lower on average than their white colleagues, this has reduced from 13% in 2022.
- 4.4. Nationally, in 2019 (the latest data available), the median hourly pay for those in white ethnic groups was £12.40 per hour compared with those in ethnic minority groups at £12.11 per hour – a pay gap of 2.3%, its narrowest level since 2012. The median pay gap was at its largest in 2014, at 8.4%
- 4.5. Long service awards are the only payments made at the Council which qualify as bonus pay. Thirty five employees received long services awards within the relevant period, 31 of whom were white employees. In most cases, this was a one-off award of £1,000. It should be born in mind that all employees are eligible for this payment once they have reached the necessary service related requirements.
- 4.6. The majority of full-pay relevant employees at the Council, 77.6%, are white. This has reduced since 2022 when it was 83.4%. There are more white employees in every quartile and the proportion increases as pay increases up to 84.0% in the upper quartile, which is still broadly in line with the overall proportion of white employees.
- 4.7. The report also provides a more detailed breakdown of employees by ethnic group by pay grade. At the highest paid end of the pay structure, there are employees from every ethnic group paid on Reading Senior Manager grades or above, except for Other Ethnic Groups, the highest paid employees are still predominantly white.
- 4.8. An action plan to further improve the Council's position is underway, which will be aligned to our Inclusion and Diversity Strategy.

5. Workforce Profile Report for 2022/23

- 5.1. The Workforce Profile in Appendix 3 is a key component of meeting our duties under the Equality Act 2010, and the Council's own Equal Opportunity in Employment Policy. It covers data on the protected characteristics of the current workforce and job applicants in 2022/23 and compares it to the previous three financial years where relevant. The data is also intended to provide an equalities context and focus for ongoing discussions with internal and external stakeholders. The Workforce Profile will be published on the Council's website on the [Equality, Diversity and Inclusion Policies](#) page.
- 5.2. The Workforce Profile includes data on
 - Vacancies, applicants, starters, leavers and maternity leave.
 - Demographic characteristics of the workforce by gender, ethnicity, age, disability, full and part time working, length of service and pay grade.
 - Staff engagement and employment procedures.

The audit does not include data for sexual orientation or religion or belief. This data is available but approximately 50% of job applicants and current employees chose not to

disclose these protected characteristics so there is concern about the validity and reliability of the data.

Key Findings

- 5.3. The Workforce Profile in Appendix 3 includes data for all Council employees. It excludes schools' staff, agency and casual workers. The overall number of employees included in the report is greater than for the gender and ethnicity pay reports where only full-pay relevant employees (FPREs) are included. FPREs exclude employees who are not in receipt of full pay, like those on maternity pay, unpaid leave etc. See the [Gov.uk website](#) for a definition and examples of full-pay relevant employees (FPREs).

Ethnicity

- 5.4. The proportion of job applicants from minority ethnic backgrounds increased again in 2022/23 to 43.6%, up from 37.1% in 2021/22 and 32.6% in 2020/21. The proportion of White British applicants has again reduced slightly in 2022/23 compared to the last two years, to 41.3%. 28.1% of new starters were from non-white ethnicities, compared to the percentage of non-white ethnicities in the general workforce (17.0%). The number of job applicants who 'prefer not to say' or who have not declared their ethnic origin has decreased to 4.9% compared to 5.1% in 2021/22.
- 5.5. The percentage of the workforce in minority ethnic groups has gradually increased over the last few years and is now 17.0%, up from 15.9% in 2021/22. There has been an increase in every ethnic group except White British which has reduced and Other Ethnic Groups which has decreased by 0.1%. The proportion of staff who 'prefer not to say' or who have not declared their ethnicity has increased to 5.7% in 2022/23, from 5.3% in 2021/22.

Gender

- 5.6. The Council employs more women overall – 60.8% of employees are women and 39.2% are men. The proportion for job applicants is similar at 58.0% women and 40.4% men, with the remainder preferring not to say.
- 5.7. A much greater percentage of females work part-time than males (89.5% compared to 10.5%). There is a higher proportion of female workers in all categories.

Disability

- 5.8. In 2022/23, 4.1% of the workforce declared a disability, unchanged from 2021/22. Due to the small number of staff that identify as having a disability it is not possible to carry out any meaningful analysis of disability related to pay grades.
- 5.9. A lower percentage of applicants state that they have a disability (0.5%) than the existing workforce (4.1%). Applications from employees with a disability are positively encouraged through the disability confident scheme. The percentage of applicants who prefer not to say or who have not declared a disability has increased to 89.1% in 2022/23.
- 5.10. The actual proportion of staff and job applicants who meet the legal definition of disabled within the Equality Act 2010 (i.e. a physical or mental impairment that has a substantial and long-term negative effect on a person's ability to do normal daily activities) is likely to be far higher than the number who have declared a disability.
- 5.11. One of the actions for the year ahead is to address the increasing numbers of staff and job applicants who 'prefer not to say' or who decline to respond in relation to the equalities monitoring data that we collect. Low equalities monitoring disclosure rates are a problem for many employers, but the information is vital to help address issues accurately and for producing effective action plans. We will therefore seek to encourage greater disclosure by explaining how we use and intend to use this data.

6. Contribution to Strategic Aims

- 6.1. Advancing equality, diversity and inclusion within the Council's workforce enables moving to a position where our workforce represents the community it serves and ensuring a Council that is fit for the future.

7. Environmental and Climate Implications

- 7.1. None.

8. Community Engagement

- 8.1. We will continue to use the Equality, Diversity and Inclusion page on the Council's website to set out our approach and enable access to key information about our workforce, the Gender and Ethnicity Pay Gap Reports for 2023, and the People Strategy.
- 8.2. The following steps will be taken to publish the Council's Gender and Ethnicity Pay Gap Reports
- Published on the Council's website
 - Published on the Government Equalities Office website (Gender Pay only)
 - An item will be included in the staff newsletter to highlight the gender and ethnicity pay gap information in a proactive way to staff
 - A press statement will be issued to bring the report to the attention of local media, residents and businesses.

9. Equality Implications

- 9.1. An Equality Impact Assessment is not required for the issues covered by this report.

10. Other Relevant Considerations

- 10.1. None.

11. Legal Implications

- 11.1. Under the Equality Act 2010, a public authority must, in the exercise of its functions, have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Council has a duty to publish workforce and employment information to demonstrate compliance with this duty. This report supports the Council to fulfil this duty.

12. Financial Implications

- 12.1. None.

13. Timetable for Implementation

- 13.1. Not applicable

14. Background Papers

- 14.1. There are none.

Appendices

1. Gender Pay Gap Report 2023
2. Ethnicity Pay Gap Report 2023
3. Workforce Profile 2022-23